THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) Guidelines have been issued advising the CPSEs to invest 60% of the surplus fund in public sector banks.

(b) Government has decided to terminate the purchase preference policy in respect of product and services of CPSEs *w.e.f.* 31st March, 2008. Preferential policy for specific sector as per requirement may, however, be evolved/reviewed independently by the concerned Ministry/Department.

(c) As per the Public Enterprises Survey 2006-07, which is a public document, the aggregate cash and bank balances of all CPSEs taken together is rupees two lakhs three thousand two hundred sixty crore (Rs. 203260 crore) as on 31st March, 2007. The returns on the deposits made in the private and public sector banks depend upon the rate of interest offered by these banks. The return on debt instrument depends upon the yield available on debt instrument.

Salary dues of CPSU employees

4246. SHRI T.T.V. DHINAKARAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether many of the Central Public Sector Undertakings (CPSUs) have not released the statutory dues of salaries of their employees;

(b) if so, the details thereof; and

(c) the action taken for early release of these dues?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) to (c) CPSEs are expected to pay the wages, salaries and statutory dues to their employees regularly out of their own resources. Government provides financial assistance by way of non-plan loans to certain CPSEs to supplement their efforts for payment of wages and salaries and statutory dues when they are unable to generate required resources. As per information available, Government sanctioned Rs. 2481.21 crore during the last four financial years for payment of wages, salaries and statutory dues to sick and loss making CPSEs.

Monitoring of ONGC's drilling operations

4247. SHRI KALRAJ MISHRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the replies of Unstarred Qeustions 2434 and 2439 given on 15th April 2008 in Rajya Sabha and to state:

(a) the comments of Comptroller and Auditor General (CAG) on the performance of ONGC;

(b) whetehr ONGC failed to monitor the drilling operations; and

(c) what corrective measures have been taken by Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Highlights of observations of the office of the Comptroller and Auditor General (C&AG) on an audit titled "Deep Water Exploration" relating to Oil and Natural Gas Corporation Limited (ONGC) are placed in the Statement (*See* below).

The reply/comments provided by ONGC on the draft para has been sent to the office of the C&AG.

This Ministry has advised ONGC that the recommendations made by Audit are to be noted for strict compliance.

Statement

Highlight of the comments of C&AG on performace audit report of ONGC relating to deep water exploration

- The Company provided for less number of wells in the 10th Five Year Plan (FYP) than what it committed to the Government of India/Directorate General of Hydrocarbons.
- The Company drilled six of the 16 wells committed in the original grant period of four years in nine nomination blocks. Repeated extension of time was allowed by paying PEL.
- Scrutiny of 10 contracts awarded for seismic surveys revealed that due to lack of foresight in chartering and mobilizing the vessels for seismic survey, the Company lost a significant portion of the field seasons leading to delays in acquisition, processing and interpretation (API) of seismic data.
- Delay in finalization of rig hiring contracts resulted in the Company not being able to have required number of rigs. Consequently, it did not meet the commitment of drilling deep water wells leading to postponement of drilling of eight wells during 10th FYP.
- The Company failed to monitor the actual cost of drilling activities against their estimates.
- The Company diverted its own rig meant for deep water drilling to shallow water location and consequently had to forego saving.
- As a result of failure to make standby well head available by a contractor as per contractual provisions, the Company had to pay extra charges.
- Lack of coordination among various Divisions of the Company to arrive at a final decision for abandonment of continuation of drilling of a well resulted in extra expenditure.
- As a result of testing two hydrocarbon objects with conventional production testing method instead of Modular Dynamic Tester during the course of drilling a well, the Company had to incur avoidable expenditure.
- In deep water drilling operations, several incidents of equipment damage, major and minor injuries and in subsequent years many 'near misses' were reported. One fatal accident was also reported in February 2006.
- Time taken for pre-drilling EIA studies ranged from 21 to 56 months from the date of signing respective Production Sharing Contract (PSC) whereas the exploration activities in the NELP blocks were to be undertaken within six months of the award of the blocks as per provisions of the production sharing contracts.

- Production Sharing Contracts signed for the deep water blocks prescribed time period for completion of MWP of each phase. Audit observed that the Company had not prescribed policy guidelines for completion of each activity in order to achieve the MWP targets.

R&D activity in hydrocarbon sector

4248. SHRI VIJAY J. DARDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that world's energy consumption has increased by 84 percent since 1979 and will go up further by another 60 percent over next 20 years;

(b) if so, whether all the possible alternatives are being explored to have oil;

(c) if so, what are the details thereof; and

(d) what were the annual budgetary allocation towards such R&D inputs in hydrocarbon sector during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) As per 'World Energy Outlook 2007' of International Energy Agency, the world's energy consumption has increased by 58% between 1980 and 2005 and is projected to further increase by 55% during the period 2005 to 2030.

(b) & (c) The Government is making the following efforts:

(i) Carving out more areas for exploration for offer under various rounds of New Exploration Licensing Policy (NELP).

(ii) Quicker development of discovered reserves for enabling commencement of production.

(iii) Use of stimulation techniques for increasing production from existing fields.

(iv) Application for Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.

(v) Arresting decline from ageing fields.

(vi) Acquisition of exploration acreages and oil producing properties overseas to bring in equity oil.

(vii) Substitution of oil in the transport sector through use of alternative fuels such as Bio-diesel, ethanol, blended-petrol etc.

(viii) Diversification of the sources for procurement of crude. The Oil Marketing Companies (OMCs) are now importing crude oil from about 25 countries either on term contract or through spot purchase.

The endeavor is to bridge the gap between demand and supply of petroleum products in India by intensifying exploratory efforts for oil and gas in the indian sedimentary basins and abroad through new Exploration Licensing Policy (NELP), which have been supplemented by other alternate sources of energy like Coal Bed Methane (CBM), Gas Hydrates, Coal Liquefaction, Ethanol and bio-diesel etc.